

## LNF & IHCIF Calculations Illustration

### - UIHS-TSURAI in California area -

#### Given Data

- 6,135 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 109.6% = Cost index for purchasing health care in this geographic area
- 109.7% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

#### Cost Adjustment Calculations

- \$2,940 per person for purchased services =  $90\% * 109.6\% * \$2,980$
- \$327 per person for in-house services =  $10\% * 109.7\% * \$2,980$
- \$3,267 per person total = \$2,940 (purchase) + \$327 (in-house)
- **\$3,134 per person total** adjusted for health status =  $\$3,267 * 95.9\%$
- **\$2,389 per person net cost** =  $\$3,134 - \$745$  Other resources (M&M&PI)

#### Existing Expenditures (for 6,135 users excluding wrap-around and collections)

- \$887 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,163 per person for OU users** =  $\$887 + \$222 + \$54$

#### LNF Calculation

- **37.1% Gross LNF** =  $\$1,163$  (expenditures) /  $\$3,134$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **48.7% Net LNF** =  $\$1,163 / \$2,389$  net cost ( $\$3,134 - \$745$  other)

#### IHCIF Allocation

- \$1,659,917 = \$ to raise LNF% from 48.7% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$57,898 Allocation** =  $\$1,659,917$  needed for 60% \* 3.488% IHCIF fraction

#### UIHS-TSURAI Unmet Needs

- **\$14,656,190 Net Total Need** = 6,135 users \* \$2,389 net cost
- **\$7,522,392 Net Unmet Need** =  $(100\% - 48.7\% \text{ LNF}) * 6,135 \text{ users} * \$2,389 \text{ net cost}$